

from the

Ground Up



A consumer's guide to homeowner insurance

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Insurance Commissioner Mike Kreidler

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Table of Contents

Choosing homeowner insurance — — — — —	page 2
What do homeowner policies cover? — — — — —	page 3
Coverages available — — — — —	page 4
Flood insurance and FAIR Plan — — — — —	page 6
Understanding your policy — — — — —	page 8

Homeowner Insurance Comparison Examples

Example 1 - Contents-only coverage for Richland condominium — — — — —	page 10
Example 2 - Coverage for 50-year-old south Seattle home — — — — —	page 12
Example 3 - Coverage for Olympia starter home — — — — —	page 14
Example 4 - Coverage for Spokane mobile home — — — — —	page 16
Flood insurance rates for all examples — — — — —	page 17
Example 5 - Renter insurance for Seattle apartment — — — — —	page 18
Example 6 - Renter insurance for rooms in Vancouver home — — — — —	page 20
Example 7 - Coverage for north Seattle home — — — — —	page 22
Example 8 - Coverage for two-year-old Redmond home — — — — —	page 24

Dear Homeowner:

Your home and personal belongings are among the most expensive items you will purchase in your lifetime. Because of this, it is important that you take the steps necessary to protect your investment.

As a property owner, you should be prepared for the possibility of loss from fire, lightning, storm, burglary, theft, and/or liability. Whether you own a house, duplex, condo, or mobile home - or even if you're a renter - doing research to ensure you are properly covered is essential.

Choosing the right homeowner insurance company can be difficult. There are many factors that go into making a sound choice of insurance company and coverage.

To help you make an informed decision, my staff has prepared this consumer guide on homeowner insurance. It is essential that you know what coverage meets your needs and what various companies offer before purchasing insurance.

This guide includes information on what homeowner policies cover, how much insurance you should buy and things you can do now to expedite the processing of any future claims.

Also included in this guide is a section with hypothetical examples of homeowner insurance costs. All companies licensed to sell homeowner insurance were invited to participate in this cost comparison. Not all companies took us up on the offer, but many did. More may join as they realize that consumers do pay attention.

After reviewing this material, if you still have questions or concerns, please call our Consumer Hot Line at **1-800-562-6900**. My staff is eager to help.

Sincerely,

Mike Kreidler

Washington State Insurance Commissioner

The Choice is Yours

When you buy a home, the mortgage holder may suggest a particular company for your homeowner insurance. Remember that you are under no obligation to accept this suggestion. It is up to you to decide which insurer best meets your needs. However, your mortgage holder can insist that you purchase adequate insurance coverage.

How much insurance to carry is your decision (more about that later). According to Washington law, the mortgage holder cannot insist that you insure your home for an amount beyond what you could actually collect, or beyond the replacement cost.

Who should purchase homeowner insurance?

Owners of single- or multi-family homes, farms and/or mobile homes should purchase homeowner insurance.



What about renters?

Tenants, or renters, don't need to protect the structure they are renting. But they do need coverage if they want to protect their possessions against the perils of theft, fire, storms, or any of the other events covered by homeowner insurance.

Special Valuables

Jewelry or other valuables may require an extra rider or endorsement in order to provide adequate coverage.

What do homeowner policies cover?

Property is covered for damage from perils. **Perils** are events that cause damage. Common perils such as fire or wind, explosion and theft are covered by most homeowner policies. While damage from volcanic eruptions is also covered, basic policies do **not** include coverage for three specific perils: landslides, earthquakes and floods. You must purchase additional coverage if you wish to be covered for these.

Personal property is covered for its actual cash value at the time of loss, unless you request replacement value coverage. For example: a 10-year-old television is worth a lot less than you paid for it and less than what it would cost to replace it. Personal property includes household contents and other personal belongings that you or your family use, own or wear. Usually there are policy limitations on items such as furs, jewelry, cameras, antiques, collections, silver, boats and other specific items; thus you may wish to get a special endorsement (or “schedule”) that will make sure special items are covered.

Theft is normally included in coverage on personal property. However, certain items such as gun collections or expensive jewelry may be subject to coverage limitations. To cover the full value of expensive items, you can request a special limits endorsement for an additional premium.

Medical payments cover accidental injuries to other people on your property, but not injuries to members of your household. Coverage applies regardless of fault. For example, if your friend visits and trips on a rug, breaking his ankle, his medical expenses are covered. If you break your ankle tripping on the rug, you would not be covered. (You probably would be covered for the medical expenses by your health insurer.)

Personal liability coverage also may extend to accidents that occur off your property, provided they are caused by you, a member of your family or your pets.

Personal liability coverage protects other people and property from damages for which you may be liable. For example, your backyard grill may throw sparks on the neighbor’s house, starting a fire. If you were sued, your insurance company would pay the legal cost of your defense, and if the plaintiff won, the carrier would pay damages to the limit of your policy.

What about coverage for...

Mobile homes? Policies are similar to those for conventional homes, but have additional provisions specific to mobile homes. For example, they usually include the cost of moving your home to avoid damage from flood, windstorms and other specified perils.

Farms or ranches? Policies are similar to those of homeowner policies, but include special additions for farm or ranch buildings and equipment.



Travel trailers, camping trailers, motor homes?

These are insured under automobile or special policies.

What does renter insurance cover?

Renters can purchase a policy that covers **personal property** and some policies also include tenant betterment and improvements for the same perils covered by regular homeowner insurance. It does not cover the structure the renter inhabits (and your landlord's policy does not cover your personal possessions). The policy also provides liability coverage, including damages caused by your negligence. For example, a kitchen grease fire may cause smoke damage, which would be repaired by your landlord but paid for by your insurer. Your policy may cover living expenses if wind, fire or other covered perils damage your apartment, rendering it uninhabitable.

How much basic insurance should you buy?

Most policies require you to insure your home for at least 80% of its replacement cost. But most experts recommend that you cover the full replacement cost. Ask yourself: if your house burned to the ground, how much would it cost to replace it? **Replacement cost** policies mean you will be covered for the cost of labor and materials necessary to build your home today.

If your home is several years old, you may be underinsured because its replacement value may have increased with inflation. It is wise to have your house appraised every few years, and to adjust your insurance coverage accordingly. You may wish to get an **inflation guard endorsement** for your policy, which means that the amount of protection automatically increases at certain intervals.

Levels of coverage: If you occupy your own home, you may choose from four types of homeowner policies. Although terms differ from company to company, they are often known as: Basic form (least expensive), Broad form, Special form, and Comprehensive form (most expensive).

What additional insurance is available for purchase?

Earthquake coverage is not part of a basic homeowner policy. If you want to insure your home against earth movement, you must purchase coverage as an add-on (endorsement) to your policy. Unlike most homeowner or renter policies, earthquake insurance is catastrophic insurance, and it primarily covers major losses. Normally the deductible (amount you pay for damages before coverage kicks in) is between 10 and 20 percent of the total limit on your insurance. Some policies have separate deductible for contents and structure. Thus deductibles – for your personal possessions, for the house, garage, sheds, and driveway – may vary considerably.

Flood insurance is offered by the federal government under the National Flood Insurance Program (NFIP). Examples of flood insurance coverage are included in the comparison section of this guide on page 17.

The **National Flood Insurance** Act of 1968 made federally subsidized flood insurance available to communities that meet the eligibility requirements. Almost all communities in Washington are eligible, including homes or cabins on hillsides that have been burned off by summer wildfires and are therefore susceptible to flash floods. Ask your broker if you qualify, or write to either of the following:

**Federal Insurance Administration
U.S. Department of Housing
Urban Development
Washington, D.C. 20410**

**Department of Ecology
Shorelines Division
State of Washington
Olympia, WA 98504**



FAIR (Fair Access to Insurance Requirements) covers inner city areas of Seattle, Tacoma or Pasco, where access to other comprehensive coverage may be limited. FAIR is a group of insurance companies that pool resources to cover all losses. The basic FAIR Plan policy covers the following perils: fire and lightning, extended coverage, vandalism and malicious mischief. *Read the contract carefully for exclusions.* **Extended coverage** includes windstorm, hail, explosion, riot, as well as riot accompanying a strike or civil commotion, aircraft or motor vehicles, and smoke. Ask your agent or broker to write to:

Washington FAIR Plan
Alaska Building
618 Second Ave.
Seattle, WA 98104
Or call (206) 367-6270

Nonstandard coverage: Some areas of Washington may be considered nonstandard – for example, a rural area without water or electrical utility services available. If you have difficulty obtaining insurance in such an area, an insurance broker should be able to assist you.

Don't Make A Tragedy Worse

Linda and Mark C. returned from a night out to find their 3-bedroom home had burned down. Their policy burned down with it, and they had no proof of what their home contained. Trying to reconstruct the contents as well as the value of all the items in their home only intensified their nightmare. To this day they are certain they did not recover nearly what they were due.

Don't let this happen to you.

Take steps now to facilitate the processing of any future claims:

- **Make a written inventory** of the contents of your home, and if possible, a room-by-room videotape (include closet interiors).
- **Take photos** of the outside of your home from several angles.
- **Obtain appraisals** of special valuables, such as antiques and jewelry, stamps, coins and other collections.
- **Keep your policy** in a safe deposit box along with the photos and appraisals. Or put them in a secondary location, for example, your office or a relative's or friend's home.
- **Update your records** periodically, at least once every three or four years.



Understanding Your Policy

A homeowner policy combines standardized coverage plus optional coverage, and should be tailored to meet your needs. You will be dealing with these elements:

Standardized Coverages (typical)

Coverage A: Dwelling – covers your house and attached structures such as garage, greenhouse, and decks. The dollar amount should cover the cost of rebuilding. Most experts recommend replacement-value policies.

Coverage B: Other Structures – covers unattached structures such as in-ground pools, unattached garages. Amount of coverage is usually set at a percentage of Coverage A. This is automatic, but you may need more coverage if your structures are more valuable.

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1-800-562-6900.

Coverage C: Personal Property – covers possessions, such as furniture, clothing, appliances, etc. This also covers movable and borrowed property owned by a visiting guest. Amount is usually set at a percentage of Coverage A. This is also automatic, but you may require more.

Coverage D: Loss of Use – covers additional living expenses if a loss makes your property uninhabitable. Expenses include hotel bills, food, laundry, etc., that you incur over-and-above your normal living expenses.

Coverage E: Personal Liability – covers legal costs and judgment or settlement costs if a lawsuit is brought against you because of property damage or injury to a third party. A standard dollar amount is \$100,000, but can be increased. If you operate a business home office, you may need separate coverage. Talk to your agent.

Coverage F: Medical Payment to Others – covers medical costs for accidental injuries of others while they are on your property.

Homeowner Comparison Examples

The following section of this guide includes hypothetical examples of homeowner policies. The examples are meant to show you the different prices insurance companies would charge for the same policy. The premiums are for comparison purposes only and you should not expect to take an example to an insurance company and obtain that particular premium.

About the examples

Companies provided annual premiums for the examples in this guide.

The hypothetical examples in this section refer to the following specific policy types.

HO3 - refers to a standard homeowner policy that insures contents and structure for perils named in the policy. It also provides medical and liability coverage.

HO4 - refers to a standard renter policy that covers contents only, plus some medical and liability coverage.

HO6 - refers to the standard condominium unit owner's policy that covers contents and the inner walls.

The examples also include columns to show the additional cost of earthquake insurance. As the examples show, the cost is much higher for brick or masonry structures.

The charts include a column (**Rural FD**) showing the homeowner/tenant premium that would be charged for the same structure if it were located in a rural volunteer fire protection district.

Finally, the last two examples include the option of purchasing additional theft coverage for expensive items, and of adding liability coverage.

Example 1

Condominium

These rates apply to a condominium built in 1990 off Thayer Drive inside Richland's city limits. Contents are valued at \$50,000, including a \$2,000 personal computer and related equipment in the basement. This example is rated according to HO6 policy or comparable coverage.

Insurance Company	Frame \$250 ded	Frame \$500 ded	Frame \$1000 ded	EQ 10% ded	Brick \$250 ded	Brick \$500 ded	Brick \$1000 ded	EQ 10% ded	Rural FD \$250 ded
Allstate	118	104	93	15	118	104	93	48	148
American Fire	147	141	na	27	147	141	na	117	161
AMEX Assurance	157	130	102	29	157	130	102	29	183
American Commerce	224	210	196	23	224	210	196	99	224
American Insurance	114	102	90	na	114	102	90	na	127
American National P&C	167	132	93	40	167	132	93	40	186
Amica Mutual	276	262	239	30	249	237	216	136	276
Armed Forces Ins. Exchange	181	172	160	22	165	157	146	100	181
Atlantic Mutual	221	200	179	257	201	182	163	425	221
Church Mutual	243	218	191	33	221	197	174	33	243
Colonial Penn	241	223	202	27	241	223	202	27	241
Encompass	166	135	118	na	154	125	111	na	166
Country Mutual	163	136	118	30	163	136	118	30	188
Eagle American	185	166	148	191	165	148	132	310	165
Fireman's Fund	180	162	146	16	180	162	146	95	224
Grange Insurance Assoc.	162	154	142	22	146	139	128	93	162
Hartford Casualty	179	161	150	30	161	144	136	136	179
Hartford Ins. Co. of Midwest	164	145	129	30	150	130	115	136	164
Liberty Mutual Fire	196	168	131	34	196	168	131	146	226

Frame = Frame Home Brick = Brick Home EQ = Earthquake

Rural FD - see notes on page 9

Comparison Guide

Insurance Company	Frame \$250 ded	Frame \$500 ded	Frame \$1000 ded	EQ 10% ded	Brick \$250 ded	Brick \$500 ded	Brick \$1000 ded	EQ 10% ded	Rural FD \$250 ded
Metropolitan P&C	156	138	123	34	156	138	123	114	179
Mutual of Enumclaw	175	161	141	na	157	145	126	na	175
Nationwide Mutual (Allied Div.)	137	123	113	33	137	123	113	115	161
Nationwide Mutual Fire	154	122	92	38	154	122	92	38	181
Ohio Casualty	172	165	na	27	172	165	na	117	187
Oregon Mutual	158	145	125	19	158	145	125	64	180
PEMCO Mutual	133	120	100	28	133	120	100	89	147
Prudential P&C	143	127	111	27	143	127	111	27	161
Rocky Mountain Fire & Cas.	185	176	162	24	172	163	151	105	185
SAFECO of America	206	191	174	na	206	191	174	na	206
Standard Fire	178	158	137	34	178	158	137	na	204
State Farm Fire & Casualty	174	140	105	30	174	140	105	30	192
Unigard	156	142	125	40	156	142	125	46	176
Unitrin	na	109	97	24	na	109	97	100	na
USAA	151	138	124	41	144	131	118	177	151
USAA CIC	180	164	148	41	171	156	141	177	180
Valley	143	128	107	49	143	128	107	118	143
West American	161	155	na	27	161	155	na	117	176
Yasuda Fire & Marine	167	157	142	18	152	152	129	72	152

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Rural FD - see notes on page 9



Example 2

Rainier Valley Home

These rates apply to coverage on a well-maintained home in the Rainier Valley area of south Seattle. The home is 50 years old and is valued at \$150,000. The owners have no pets. The owner filed a claim for \$3,000 worth of damage to the home's roof after a 1993 windstorm. The example was rated according to HO3 policy or comparable coverage.



Insurance Company	Frame \$250 ded	Frame \$500 ded	Frame \$1000 ded	EQ 10% ded	Brick \$250 ded	Brick \$500 ded	Brick \$1000 ded	EQ 10% ded	Rural FD \$250 ded
Allstate	604	532	453	165	561	494	421	563	629
American Fire	502	456	409	194	478	434	390	1265	620
AMEX Assurance	435	390	337	174	409	367	317	848	474
American Commerce	471	426	382	173	369	334	299	1137	471
American Modern	475	450	435	185	475	450	435	185	475
American National P&C	338	299	247	174	325	286	237	846	383
Amica Mutual	538	498	423	194	512	474	403	1264	674
Armed Forces Ins. Exchange	362	314	266	91	344	298	253	559	381
Associated Indemnity	564	517	469	445	564	517	469	2000	733
Atlantic Mutual	516	466	415	624	490	441	394	1160	516
Church Mutual	657	585	513	204	626	557	488	1355	689

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Comparison Guide

Insurance Company	Frame \$250 ded	Frame \$500 ded	Frame \$1000 ded	EQ 10% ded	Brick \$250 ded	Brick \$500 ded	Brick \$1000 ded	EQ 10% ded	Rural FD \$250 ded
Colonial Penn	525	477	431	102	525	477	431	102	659
Encompass	513	460	408	na	488	438	388	na	570
Country Mutual	550	486	415	174	523	461	394	848	630
Eagle American	350	315	280	383	333	300	266	898	393
Empire Fire & Marine	606	na	na	na	606	na	na	na	744
Farmers Ins. Group	466	414	368	na	438	389	346	na	466
Fortis	1155	1155	1121	na	1155	1155	1121	na	1155
Grange Insurance Assoc.	393	374	347	155	372	354	329	1012	434
Hartford Casualty	384	350	326	213	360	328	305	1390	442
Hartford of Midwest	477	421	375	213	449	396	352	1390	549
Liberty Mutual Fire	446	395	334	242	423	375	317	1581	494
Metropolitan P&C	553	486	431	194	525	462	409	1005	636
Mutual of Enumclaw	428	389	332	na	405	368	314	na	493
Nationwide Mutual (Allied Div.)	422	371	328	195	390	343	303	1073	472
Nationwide Mutual Fire	437	390	332	218	412	368	313	1058	482
Ohio Casualty	737	669	601	194	703	638	573	1265	912
Oregon Mutual	434	394	332	198	391	355	299	675	476
PEMCO Mutual	389	348	287	323	369	330	272	1016	450
Prudential P&C	407	360	339	190	370	327	308	190	594
Rocky Mountain Fire & Cas.	367	348	322	175	349	331	306	1137	384
SAFECO of America	436	399	358	na	427	391	350	na	481
Standard Fire	419	372	325	272	396	352	308	na	474
State Farm Fire & Casualty	441	400	351	174	415	376	330	848	481
Unigard	458	412	353	na	437	393	336	na	526
Unitrin	na	353	293	165	na	342	284	1089	na
USAA	459	406	380	293	436	386	361	1145	482
USAA CIC	534	473	442	293	508	449	420	1145	561
Valley	487	442	374	221	487	442	374	1180	658
West American	557	506	454	194	531	482	433	1265	689
Yasuda Fire & Marine	419	385	329	240	419	385	329	790	407

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Rural FD - see notes on page 9

Example 3

Olympia Starter Home

A couple owns a 2-year-old starter home valued at \$100,000 off North Street in Olympia. The couple have no children. Shortly after moving in, they added a fence around the backyard that is connected to the house. They own a Rottweiler dog, but have had no problems with the pet. This example is rated according to HO3 policy or comparable coverage.

Insurance Company	Frame \$250 ded	Frame \$500 ded	Frame \$1000 ded	EQ 10% ded	Brick \$250 ded	Brick \$500 ded	Brick \$1000 ded	EQ 10% ded	Rural FD \$250 ded
Allstate	351	308	263	50	294	259	220	170	486
American Fire	442	401	361	129	346	314	282	843	524
American Modern	327	302	287	123	327	302	287	123	327
Amica Mutual	375	342	279	129	360	328	268	843	465
Armed Forces Ins. Exchange	242	206	169	95	242	206	169	623	355
Associated Indemnity	356	321	286	150	356	321	286	1333	492
Atlantic Mutual	460	415	370	532	437	395	352	884	527
Church Mutual	358	319	279	136	340	304	266	903	457
Encompass	299	267	237	na	289	259	228	na	na
Country Mutual	341	301	257	116	324	286	244	565	466
Eagle American	333	302	272	360	318	289	260	811	386
Empire Fire & Marine	744	na	na	na	744	na	na	na	1302
Farmers Ins. Group	326	290	258	120	295	262	233	na	463
Fortis	711	711	690	na	711	711	690	na	711
Grange Insurance Assoc.	233	219	200	103	210	198	180	675	284
Liberty Mutual	291	248	196	161	275	235	185	1034	393
Metropolitan P&C	405	355	316	129	371	328	291	670	646
Nationwide Mutual (Allied Div.)	232	204	181	130	215	189	168	715	333

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Comparison Guide

Insurance Company	Frame \$250 ded	Frame \$500 ded	Frame \$1000 ded	EQ 10% ded	Brick \$250 ded	Brick \$500 ded	Brick \$1000 ded	EQ 10% ded	Rural FD \$250 ded
Nationwide Mutual Fire	304	271	230	145	284	253	216	705	413
Ohio Casualty	650	590	530	129	509	462	415	843	771
PEMCO Mutual	274	237	183	215	250	217	166	677	450
Prudential P&C	389	333	313	111	350	301	283	111	531
Rocky Mountain Fire & Cas.	264	247	224	117	251	235	213	758	340
SAFECO of America	347	317	285	na	328	300	269	na	435
Standard Fire	312	269	226	174	286	247	208	na	433
State Farm Fire & Casualty	338	295	244	116	314	274	226	565	442
USAA	291	250	230	123	291	250	230	761	444
USAA CIC	339	291	268	123	339	292	268	761	517
Valley	316	273	209	147	316	273	209	787	444
West American	491	446	400	129	384	349	313	843	583
Yasuda Fire & Marine	428	393	336	160	357	328	281	905	481

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Rural FD - see notes on page 9



Example 4

Spokane Mobile Home

A couple owns a \$40,000 double-wide mobile home in a rented space in Northwest Spokane, near Spokane Falls Community College. The home sits on a concrete foundation with skirting and tie-downs. The owners purchased the trailer new five years ago, and it has not been moved since arriving at the park. This example is rated according to HO3 policy or comparable coverage.

Insurance Company	Mobile Home \$250 ded	Mobile Home \$500 ded	Mobile Home \$1000 ded	Earthquake 10% ded	Rural FD \$250 ded
Allstate	361	341	na	10	361
American Commerce	313	278	244	343	376
American Modern	297	272	na	12	297
Armed Forces Ins. Exchange	193	162	131	24	287
Church Mutual	189	168	148	35	239
Country Mutual	304	268	229	32	414
Empire Fire & Marine	261	235	na	na	366
Fortis	286	271	na	na	317
Grange Insurance Assoc.	264	244	226	41	323
Liberty Mutual Fire	369	321	264	41	500
Metropolitan P&C	185	176	na	10	185
Mutual of Enumclaw	245	222	189	na	367
Nationwide Mutual Fire	146	130	na	49	353
Oregon Mutual	136	123	105	19	na
PEMCO Mutual	177	154	119	na	177
Rocky Mountain Fire & Cas.	254	235	217	47	324
State Farm Fire & Casualty	188	167	133	incl.	425
Unigard	157	141	121	60	176
Yasuda Fire & Marine	379	346	299	21	341

Rural FD - see notes on page 9

Flood Insurance

Flood insurance is available in Washington state through the **National Flood Insurance Program (NFIP)**. Consumers can contact their own insurance company, which then obtains rates from NFIP. Some additional information (such as flood zones and elevation) is needed in order for the NFIP to provide hypothetical quotes.

Example 1: Coverage for a single family condo with basement built June 1, 1990 in Richland. Flood Zone AE, post-firm structure with the lowest floor of the structure at the Base Flood Elevation. Contents coverage at \$50,000 (Note: personal property in the basement is not covered.)

Annual premium: \$254 w/\$500 deductible; \$250 w/\$1,000 deductible.

Example 2: Coverage for a single family dwelling in the city of Seattle, built March 12, 1950. Pre-firm structure, one floor, no basement. Flood zone AE. Building insured on Replacement Cost Value (RCV) basis of \$150,000.

Annual premium: \$749 w/\$500 deductible; \$695 w/\$1,000 deductible.

Example 3: Couple owns a 2-year-old starter home, built March 16, 1998 in the city of Olympia. They have a fence attached to the house (NFIP does not provide coverage for fences, walkways, driveways.) The building is insured on RCV basis of \$100,000. Single-family dwelling, one floor, no basement/enclosure, post-firm structure with the lowest floor elevation at the Base Flood Elevation. Flood Zone AE.

Annual premium: \$226 w/\$500 deductible; \$219 with \$1,000 deductible.

Example 4: Mobile manufactured home, properly tied down, on permanent foundation, built Jan. 1, 1995. Single-family building, one floor, no basement or enclosure. Flood Zone AE, post-firm structure with lowest floor elevation at the Base Flood Elevation. Building insured at \$40,000 on RCV basis.

Annual premium: \$226 w/\$500 deductible; \$219 w/\$1,000 deductible.

Example 5: Contents coverage for an apartment on the sixth floor of an apartment building in Seattle, built March 1, 1999. Residential structure, in Flood Zone AE, the building has a basement, post-firm structure with the lowest floor elevation at the Base Flood Elevation. The contents are insured at Actual Cost Value (ACV) of \$10,000.

Annual premium: \$101 w/\$500 deductible; \$100 w/\$1,000 deductible.

Example 6: Contents coverage for renters in a 2-4 family residential unit, 2 floors with no basement, built April 10, 1945 in Vancouver. Flood Zone AE, pre-firm structure. Contents coverage limit is \$70,000 on ACV basis.

Annual premium: \$418 w/\$500 deductible; \$407 w/\$1,000 deductible.

Example 7: Coverage on three-year-old home, built April 21, 1997 in north Seattle. The building is insured on RCV basis of \$300,000. Single-family dwelling, two floors, no basement/enclosure, post-firm structure with the lowest floor elevation at the Base Flood Elevation. Flood Zone AE.

Annual premium: \$326 w/\$500 deductible; 314 w/\$1000 deductible.

Example 8: Coverage on two-year-old home, built Sept. 9, 1998 in the suburb of Redmond. The building is insured on RCV basis of \$400,000. Single-family dwelling, two floors, no basement/enclosure, post-firm structure with the lowest floor elevation at the Base Flood Elevation. Flood Zone AE.

Annual premium: \$551 w/\$500 deductible; \$528 w/\$1000 deductible.

Note: “Pre-firm” and “post-firm” structure refers to whether the building was built before or after 12/74 or before/after the date a community entered the flood program.

Example 5

Seattle Renter

These rates apply to renter coverage on an apartment on the sixth floor of a newly constructed high-rise apartment building in the university district of Seattle. The building contains 30 units with fire walls. Contents are worth \$10,000, including a \$3,000 personal computer and a \$2,000 stereo system. The example is rated according to HO4 policy or comparable coverage.

Insurance Company	Contents \$250 ded	Contents \$500 ded	Contents \$1000 ded	Contents/Liab. \$500 ded/\$50K limit	PC/Stereo only \$500 ded	Rural FD \$250 ded
Allstate	61	53	48	53	na	76
American Commerce	na	na	na	159	60	159
American Fire	148	144	na	69	75	155
American Insurance	210	195	180	incl.	na	210
American Modern	175	na	na	195	125	175
American National P&C	109	86	61	87	na	128
AMEX Assurance	144	120	108	120	18	162
Amica Mutual	114	107	96	na	15	114
Atlantic Mutual	124	117	109	129	na	136
Church Mutual	49	44	39	44	59	49
Colonial Penn	169	154	144	154	incl.	166
Country Mutual	na	na	na	69	na	96
Eagle American	86	77	69	256	77	86
Farmers Ins. Group	88	79	70	79	incl.	88
Fortis	na	na	na	243	na	243
Grange Insurance Assoc.	na	na	na	92	incl.	92
Hartford of Midwest	83	75	75	75	na	83
Liberty Mutual Fire	100	184	63	na	76	135
Metropolitan P&C	88	78	69	78	incl.	101
Nationwide Mutual Fire	81	66	50	62	incl.	93
Ohio Casualty	155	150	na	75	75	164
PEMCO Mutual	na	na	na	74	na	90

Ring, PC, Rural FD - see notes on page 9

Comparison Guide

Insurance Company	Contents \$250 ded	Contents \$500 ded	Contents \$1000 ded	Contents/Liab. \$500 ded/\$50K limit	PC/Stereo only \$500 ded	Rural FD \$250 ded
Prudential P&C	111	98	84	na	incl.	127
Rocky Mountain Fire & Cas.	na	na	na	104	incl.	104
Standard Fire	82	73	63	na	incl.	94
State Farm Fire & Casualty	133	100	75	100	incl.	143
Unigard	180	162	138	162	na	206
USAA	87	80	74	125	incl.	132
USAA CIC	104	95	88	140	incl.	139
Valley	179	161	133	na	na	179
West American	148	144	na	69	75	155
Yasuda Fire & Marine	61	58	53	179	na	61

Ring, PC, Rural FD - see notes on page 9



Example 6

Vancouver Rental

These rates apply to renter coverage for a set of rooms in an older home off Plain Boulevard on the east side of Vancouver. Rooms include a remodeled kitchen and are separated from the owner's area of the home, which is a 25-year-old brick building. Contents are valued at \$80,000. This includes a \$10,000 diamond ring, \$50,000 worth of clothing, a \$10,000 computer station owned outright and used on days when the renter telecommutes, and \$10,000 worth of furniture and fixtures. This example is rated according to HO4 policy or comparable coverage.



Insurance Company	Contents \$250 ded	Contents \$500 ded	Contents \$1000 ded	Contents/Liab. \$500 ded	Diamond Ring 10% ded	PC/Bus. Cov. \$250 ded	Rural FD \$250 ded
Allstate	219	194	175	194	119	30	279
American Fire	752	736	na	736	103	300	384
American Insurance	252	227	204	incl.	110	n/a	252
American Modern	875	na	na	895	175	175	895
American National P&C	191	152	108	154	38	na	214
AMEX Assurance	392	350	305	350	110	60	424
Amica Mutual	447	424	385	na	94	15	541
Atlantic Mutual	367	330	294	342	na	na	379
Church Mutual	295	263	231	263	115	180	295

Ring, PC, Rural FD - see notes on page 9

Comparison Guide

Insurance Company	Contents \$250 ded	Contents \$500 ded	Contents \$1000 ded	Contents/Liab. \$500 ded	Diamond Ring 10% ded	PC/Bus. Cov. \$250 ded	Rural FD \$250 ded
Colonial Penn	541	505	473	505	135	na	541
Country Mutual	na	na	na	247	na	na	342
Eagle American	383	345	306	345	77	77	383
Encompass	330	290	271	290	95	50	330
Farmers Ins. Group	327	205	184	205	99	16	351
Fortis	na	na	na	1371	na	na	1371
Hartford Casualty	357	321	298	321	95	75	357
Hartford of Midwest	305	265	235	266	99	75	305
Grange Insurance Assoc.	na	na	na	272	78	incl.	268
Liberty Mutual	318	268	201	na	110	35	513
Metropolitan P&C	326	288	255	288	140	75	376
Mutual of Enumclaw	na	na	na	207	na	na	225
Nationwide Mutual (Allied Div.)	na	na	na	321	na	na	364
Nationwide Mutual Fire	369	315	260	315	98	16	407
Ohio Casualty	794	776	na	776	103	300	432
Oregon Mutual	na	na	na	398	115	56	450
PEMCO Mutual	na	na	na	343	120	na	393
Prudential P&C	277	246	209	incl.	105	incl.	319
Rocky Mountain Fire & Cas.	na	na	na	325	94	incl.	370
SAFECO of America	212	194	174	na	309	222	339
Standard Fire	430	396	361	396	132	50	469
State Farm Fire & Casualty	344	280	211	280	72	16	376
Unigard	632	600	558	600	110	200	680
Unitrin	na	237	211	211	90	63	na
USAA	222	196	178	241	na	150	267
USAA CIC	281	249	232	294	na	188	326
Valley	457	322	270	na	115	69	457
West American	752	736	na	736	103	300	384
Yasuda Fire & Marine	326	310	287	310	na	na	326

Ring, PC, Rural FD - see notes on page 9

Example 7

Seattle Home

These rates apply to a well-maintained home in north Seattle. The home is three years old and is valued at \$300,000. Owners have no pets. This example is rated according to HO3 policy or comparable coverage.



Insurance Company	Frame \$250 ded	Frame \$500 ded	Frame \$1000 ded	EQ 10% ded	Brick \$250 ded	Brick \$500 ded	Brick \$1000 ded	EQ 10% ded	Rural FD \$250 ded
Allstate	649	570	486	330	599	526	449	1125	669
American Auto	922	816	720	279	922	816	720	2265	1198
American Commerce	723	640	558	345	570	505	440	2274	723
American Fire	747	678	609	246	713	647	581	1509	927
American Modern	873	848	833	369	873	848	833	369	873
American National P&C	553	454	355	348	519	442	344	1692	594
AMEX Assurance	850	510	415	348	555	480	391	1695	642
Amica Mutual	824	770	636	387	783	732	604	2528	1029
Armed Forces Ins. Exchange	670	568	467	286	635	539	442	1870	705
Atlantic Mutual	1081	973	865	1297	1026	923	821	1242	1137
Church Mutual	1230	1095	959	407	1172	1042	913	2709	1290
Colonial Penn	887	799	723	204	887	799	723	204	1219
Encompass	721	647	575	na	685	615	545	na	802
Country Mutual	644	571	481	348	613	543	457	1695	739
Eagle American	809	728	647	1118	769	692	615	2665	908
Empire Fire & Casualty	606	na	na	na	606	na	na	na	744
Farmers Ins. Group	545	485	431	360	512	456	405	na	610
Fortis	2080	2080	2018	na	2080	2080	2018	na	2080

Ring, PC, Rural FD - see notes on page 9

Comparison Guide

Insurance Company	Frame \$250 ded	Frame \$500 ded	Frame \$1000 ded	EQ 10% ded	Brick \$250 ded	Brick \$500 ded	Brick \$1000 ded	EQ 10% ded	Rural FD \$250 ded
Grange Insurance Assoc.	914	877	825	310	864	829	780	2024	1006
Hartford Casualty	708	659	631	426	666	620	592	2781	766
Hartford of Midwest	936	851	766	426	880	801	718	2781	1079
Liberty Mutual	700	601	480	483	665	571	458	3162	776
Metropolitan P&C	745	657	582	387	709	624	533	2010	858
Mutual of Enumclaw	713	649	552	na	676	615	524	na	822
Nationwide Mutual (Allied Div.)	502	441	390	390	465	409	362	2145	563
Nationwide Mutual Fire	770	687	585	435	726	648	552	2115	849
Ohio Casualty	1100	998	897	246	1048	951	854	1509	1362
Oregon Mutual	681	607	491	434	615	548	444	1442	747
PEMCO Mutual	570	498	389	645	541	472	370	2031	627
Prudential P&C	570	480	452	333	534	451	424	333	638
Rocky Mountain Fire & Cas.	892	856	805	350	852	817	769	2274	938
SAFECO of America	799	732	656	na	781	715	640	na	890
Standard Fire	662	573	483	540	625	541	456	na	750
State Farm Fire & Casualty	673	591	494	348	632	555	464	1695	735
Unigard	660	594	508	489	628	565	484	2195	759
Unitrin	na	559	464	330	na	542	450	2178	na
USAA	671	579	533	369	637	550	506	2283	704
USAA CIC	781	674	620	369	742	640	589	2283	820
Valley	642	556	458	443	642	556	458	2360	868
West American	830	753	677	246	791	718	645	1509	1028
Yasuda Fire & Marine	815	748	641	696	815	748	641	3111	1030

Ring, PC, Rural FD - see notes on page 9



Example 8

Redmond Home

These rates apply to two-year-old home in the suburb of Redmond. The home is valued at \$400,000 and is rated according to HO3 policy or comparable coverage.

Insurance Company	Frame \$250 ded	Frame \$500 ded	Frame \$1000 ded	EQ 10% ded	Brick \$250 ded	Brick \$500 ded	Brick \$1000 ded	EQ 10% ded	Rural FD \$250 ded
Allstate	920	809	691	440	849	748	636	1500	1138
American Auto	1246	1102	971	372	1246	1102	971	3020	1621
American Commerce	877	773	669	460	692	610	528	3032	877
American Fire	1137	1032	927	516	1082	982	882	3372	1407
American Modern	1153	1128	1113	1492	1153	1128	1113	492	1153
American National P&C	675	571	441	464	661	560	432	2256	749
AMEX Assurance	782	673	544	464	735	633	512	2260	850
Amica Mutual	1196	1130	970	516	1137	1074	922	3371	1497
Armed Forces Ins. Exchange	946	800	653	381	898	759	653	2493	946
Atlantic Mutual	1485	1337	1188	1773	1408	1267	1126	1696	1561
Church Mutual	1663	1479	1295	542	1582	1406	1232	3612	1743
Country Mutual	822	724	616	464	782	687	584	2260	943
Eagle American	1020	918	816	1432	969	872	775	3497	1144
Empire Fire & Marine	606	na	na	na	606	na	na	na	744
Encompass	835	750	665	na	793	713	632	na	930
Farmers Ins. Group	696	620	550	480	655	583	517	na	780
Fortis	2790	2790	2707	na	2790	2790	2707	na	2790
Grange Insurance Assoc.	1190	1140	1071	413	1124	1077	1012	2698	1309
Hartford Casualty	926	890	835	568	871	837	785	3708	1002
Hartford of Midwest	1152	1075	958	568	1084	1010	901	3708	1245
Liberty Mutual	854	728	577	644	812	692	548	4216	947
Metropolitan P&C	951	837	742	516	903	795	704	2680	1094
Mutual of Enumclaw	961	875	744	na	911	828	706	na	1107
Nationwide Mutual (Allied Div.)	626	550	486	520	580	509	451	2860	703
Nationwide Mutual Fire	999	891	759	580	944	842	716	2820	1103
Oregon Mutual	864	767	616	579	780	692	556	1923	952
Ohio Casualty	1673	1523	1398	516	1593	1446	1318	3372	2071
PEMCO Mutual	589	510	393	860	560	485	373	2708	829
Prudential P&C	962	795	749	444	867	719	677	444	1069
Rocky Mountain Fire & Cas.	1164	1116	1048	466	1110	1064	1012	3032	1222
SAFECO of America	925	846	759	na	906	828	742	na	1022

Ring, PC, Rural FD - see notes on page 9

Comparison Guide

Insurance Company	Frame \$250 ded	Frame \$500 ded	Frame \$1000 ded	EQ 10% ded	Brick \$250 ded	Brick \$500 ded	Brick \$1000 ded	EQ 10% ded	Rural FD \$250 ded
Standard Fire	813	713	613	720	768	668	553	na	922
State Farm Fire & Casualty	865	754	623	464	812	708	585	2260	941
Unigard	903	813	696	652	861	775	663	2926	1039
Unitrin	na	712	591	440	na	692	574	2904	na
USAA	868	746	685	738	953	709	651	3044	868
USAA CIC	1011	868	797	738	960	825	757	3044	1011
Valley	902	810	718	590	902	810	718	3146	1217
West American	1264	1147	1030	516	1202	1091	980	3372	1564
Yasuda Fire & Marine	1086	997	853	928	1086	997	853	4148	1372

Technical Notes

Some of the companies participating in this survey had to change the examples slightly in order to provide sample premiums. Following are differences specific companies asked to include:

American Auto/American Ins./Associated Indemnity - Examples 1 & 6 quoted with \$300,000 liability and \$10,000 medical. Examples 2 & 5 quoted with \$100,000 liability and \$1,000 medical. Example 5 quoted with \$20,000 content coverage.

American Bankers - Examples 5 & 6 rated with \$25,000 personal liability, \$500 medical payment, \$100 deductible.

American Modern Home - Earthquake coverage quoted with 15% deductible. Examples 5 & 6 quoted with \$25,000 liability and \$250 deductible. Coverage for diamond ring and business coverage of personal computer quoted with \$250 deductible.

American Express - Example 5 quoted with \$20,000 content coverage. All examples include liability coverage.

Church Mutual - Example 5 quoted with \$100,000 liability.

Country Mutual - Example 1 quoted as 1-4 family units in building. Examples 5 & 6 include \$50,000 liability and \$1,000 medical payment. Examples 3, 7 & 8 include guaranteed replacement cost.

Encompass - All examples include \$100,000 liability and \$5,000 medical payment. Example 6 quoted with \$60,000 content coverage.

Eagle American - Earthquake coverage quoted with \$1,000 deductible. Example 5 PC/stereo quoted with \$10,000 coverage.

Farmers Insurance - Examples 5 & 6 include \$100,000 liability. Example 6 quoted with \$250 deductible.

Hartford Insurance Co. of the Midwest - Example 5 & 6 quoted with \$100,000 liability and \$1,000 medical.

Hartford Casualty - All example quoted with \$100,000 liability and \$1,000 medical.

Metlife - All examples quoted with \$100,000 liability and \$1,000 medical.

Nationwide - Earthquake coverage quoted with 5% deductible, except example 4, which was quoted with 2% deductible. All examples quoted with \$100,000 liability and \$1,000 medical.

Ohio Casualty - Example 5 quoted with \$100,000 liability and \$20,000 content coverage.

PEMCO - Example 5 quoted with \$20,000 content coverage and \$100,000 liability. Example 6 quoted personal computer with \$3,000 coverage.

Prudential - All examples quoted with \$100,000 liability and \$1,000 medical.

State Farm - All examples quoted with \$100,000 liability and \$1,000 medical.

USAA/USAA-CIC - Example 5 quoted with \$12,000 content coverage. All examples quoted with \$100,000 liability and \$1,000 medical.

Unigard - All examples quoted with \$100,000 liability and \$1,000 medical. Example 5 quoted with \$30,000 content coverage.

Valley - Example 5 quoted with \$30,000 content coverage, \$100,000 liability and \$1,000 medical.

Yasuda - Examples 5 & 6 quoted with \$100,000 liability and \$1,000 medical.



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- ▶ Insurance Decoded - Consumer Guide to Insurance Terms
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